

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

HOUSE BILL HB2667:

Askins

AS INTRODUCED

An Act relating to public health and safety; amending 63 O.S. 2001, Section 1-702b, as amended by Section 1, Chapter 227, O.S.L. 2003 (63 O.S. Supp. 2003, Section 1-702b), which relates to verification by hospitals of services provided to Medicare and Medicaid patients; modifying effective date; modifying percentage; modifying fund for deposit of certain fees; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 63 O.S. 2001, Section 1-702b, as amended by Section 1, Chapter 227, O.S.L. 2003 (63 O.S. Supp. 2003, Section 1-702b), is amended to read as follows:

Section 1-702b. A. Any hospital, specialty hospital or ambulatory surgery center which has not received approval to construct a new facility from the State Commissioner of Health by ~~July 1, 1999,~~ the effective date of this act shall be required to provide, and shall furnish annually, written verification in such a manner as is required by the Commissioner that at least ~~thirty percent (30%)~~ ten percent (10%) of its annual:

1. Net revenues from Medicare and/or Medicaid, with allowances for uncompensated care; and

2. Oklahoma state corporate tax contributions.

B. 1. Within ninety (90) days following the conclusion of a facility's fiscal year, the facility shall furnish to the Commissioner necessary documentation of compliance with the ~~thirty percent (30%)~~ ten-percent (10%) threshold as specified in this section. The Commissioner may request and obtain certified copies

of the facility's Medicare cost report and/or audited financial statements or any other documents as necessary to verify information provided by the facility.

2. For facilities not meeting the ~~thirty percent (30%)~~ ten-percent (10%) threshold, a fee shall be assessed for the difference.

3. In no instance shall the fee exceed ~~thirty percent (30%)~~ ten percent (10%) of a facility's total annual net revenue.

4. The Commissioner shall bill each facility determined to owe a fee. Fees collected by the Commissioner shall be deposited into the ~~Trauma Care~~ Uncompensated Care Assistance Revolving Fund ~~as established by Section 1-2522 of this title and shall not be used for any other purpose other than described in that section.~~

C. Failure of a facility to report to the Commissioner within the reporting period shall be grounds for termination of operating license. Failure of a facility to pay the assessed fee shall be grounds for termination of operating license. A grievance procedure policy will be implemented by rules established by the Board.

D. The Board shall promulgate rules for the implementation and enforcement of this section.

E. For purposes of this section:

1. "Uncompensated care" means care provided for which no payment was expected to be received from the patient or insurer. Uncompensated care is the sum of a facility's charity care costs;

2. "Charity care" means care for which a facility never expected to be reimbursed;

3. "Cost" is determined by current Medicare cost-to-charge ratio methods;

4. "Net revenues" means gross patient care revenues less contractual adjustments; and

5. "Tax contributions" means federal and Oklahoma corporate taxes and state property taxes paid by a facility doing business in Oklahoma. Parent or subsidiary companies, whether in state or out

of state, are excluded. Sales tax credit for inclusion in this formula is prohibited.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

49-2-7918            KSM            01/22/04